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## Chapter 5

### Che Guevara: cooperatives and the political economy of socialist transition

*Helen Yaffe*

In 2006, Che Guevara's long-anticipated critical notes on the political economy of the USSR were published in Havana.<sup>1</sup> Written outside Cuba between 1965 and 1966 and arguably his most important contribution to socialist theory, these notes were kept under lock and key for 40 years.<sup>2</sup> It is easy to understand why Che's analysis was considered too polemical or controversial for publication until recent years. Applying a Marxist analysis to the USSR *Manual of Political Economy*,<sup>3</sup> Che concluded that the "hybrid" economic management system – socialism with capitalist elements – was creating the conditions for the return of capitalism.

Central to this conclusion was his evaluation of the role of agricultural cooperatives in the USSR, known as *kolkhoz*, which he regarded as introducing a capitalist superstructure into socialist society. This may surprise those who, because they were part of the scaffolding of Soviet society, regard cooperatives as integral to socialism itself. Since 1960, the *kolkhoz* farms were the only form of agricultural cooperatives in the USSR and Che's notes on them are his only known comments on the cooperative form of production.<sup>4</sup> It is important, however, not to impose newer concepts of what a cooperative is on Che's concrete analysis of the *kolkhoz*.

Nonetheless, we can assert that Che viewed state ownership as necessary to secure the socialist transition process against contradictions which could emerge. In order for "state" ownership to be "social" ownership, increasingly decentralised and democratic control by workers over production was necessary. Between 1961 and 1965 he devised an apparatus within the Ministry of Industries (*Ministerio de Industrias*, MININD) to promote this process.

This chapter will begin with a discussion about the operation of the law of value in the socialist transition period and link it to Che's emphasis on augmenting productivity and consciousness simultaneously in the transition to socialism. It will then summarise his observations about *kolkhoz* collective farms from his critique of the USSR *Manual*. Next it will summarise the policies Che implemented to collectivise management and promote workers participation, through the Budgetary Finance System (BFS) of economic management developed within MININD.

#### [t2]The law of value

Bourgeois economics promotes the myth that commodity prices are determined by supply and demand (this presupposes existing capitalist-relations). Marx, however, showed that market prices are ultimately determined by the operation of the law of value, which is an expression of the social-relations of production. The law of value emerged with private ownership and production for exchange which required an increasing social division of labour. Every society adopts a method by which to regulate the distribution of the social product. The law of value is the social mechanism by which the principle of an equal exchange between private owners is enforced. Marx demonstrated that the law of value has a peculiar and paradoxical

function. As an economic law, it predates but is then developed under capitalism, so that its operation is initially transparent but then obscured. Yet it provides the regulating law of motion of capitalism, in which it finds its most developed expression.

The activity of human labour itself - labour power - must become a commodity in order for capitalist production to develop. Commodities are the product of concrete human labour, but their constant and complex exchange gives the human labour expended a particular abstract, social, character. This abstract quality is thus an historical characteristic. Marx showed that under the law of value the quantity of abstract human labour embodied within commodities is the basis for their exchange. The two provisos are that the commodity is desired in exchange (it has a use value) and that the labour time it embodies is socially necessary - that is, consistent with the average conditions of production.

The role of the law of value in "transition economies" is at the heart of the question about the feasibility of constructing socialism in a country without a fully developed capitalist mode of production, where development has been stunted by imperialist exploitation. It is integral to the problems of production, distribution, investment and social relations. The notion of an eventual communist stage requires a highly productive society in which the political conditions exist for social production to be directed towards the needs of the masses rather than the generation of private profit; it implies societies with huge accumulations of wealth and technology, which the working class appropriates to liberate itself from exploitation. "From each according to his ability, to each according to his need" - the essence of communism - implies that socialism has already been constructed and that society's products are no longer subject to rationing through market mechanisms. Communism will permanently block the reappearance of the law of value.

However, the countries that have experimented with socialism have lacked the necessary productive base to complete the process and create the material abundance guaranteed by communism. Under such conditions, the problem of how to organise and direct the use of the social product is intrinsically linked to the problem of underdevelopment and scarcity.

A solution to this problem which emerged in the socialist bloc by the 1950s was to utilise methods of production and distribution that allowed the operation of the law of value through the spontaneous and centrally unregulated processes of exchange with the aim of hastening the development of the productive forces. This urgent material concern was seen as a precondition to developing a socialist consciousness. Che warned that depending on the law of value to foster development would undermine collective consciousness, obstructing the construction of socialism and communism. Socialist countries had to find alternative levers to develop the productive forces, such as the national plan, investment in research and technology, administrative mechanisms (economic analysis, supervision and inspection and controls for costs, budgets, inventories, investments and quality) and socialist consciousness itself.<sup>5</sup>

Che recognised that the law of value still operated in socialist Cuba because commodity production and exchange through a market mechanism continued to exist after the Revolution. The social product continued to be distributed on the

basis of socially necessary labour time. However, referring to Marx's analysis, he asserted that: "the law's most advanced form of operation is through the capitalist market, and that variations introduced into the market by socialisation of the means of production and the distribution system brought about changes that obstruct immediate clarification of its operation".<sup>6</sup>

The socialist state is the owner of the bank and its revenue, the factories and the goods they produce. Consistent with Marx's stipulation that commodity exchange involves property exchange, Che insisted that products transferred between state-owned enterprises do not constitute commodities because there is no change in ownership. Commodity-exchange relations between units of production, including cooperatives, threatened transition, via "market socialism", to capitalism. Since the law of value did not operate in exchange between state production units, the workers themselves should decide what socialist, non-value-oriented economic policies to pursue in safeguarding society against capitalist restoration and achieving economic abundance.

Cuba, Che argued, should be considered as one big enterprise. This did not imply that all decisions be made and imposed by a central bureaucracy. It meant that, freed from the anarchy of the capitalist market, the economy be directed according to a plan which allowed the conscious organisation of the national economy in pursuit of political objectives. Che perceived the plan as a social contract, a democratic product devised through workers' discussions. However, once the plan was agreed, mechanisms had to be in place to ensure its fulfilment. These mechanisms constituted administrative controls and should include computerised accounts procedures to relay information in real time.

Che's critics adopted the Soviet view that commodity production, the law of value and money would disappear only when communism was achieved, but that to reach that stage: "it is necessary to *develop* and use the law of value as well as monetary and mercantile relationships while the communist society is being built".<sup>7</sup> Che disagreed:

Why *develop*? We understand that the capitalist categories are retained for a time and that the length of this period cannot be predetermined, but the characteristics of the period of transition are those of a society that is throwing off its old bonds in order to move quickly into the new stage. The *tendency* should be, in our opinion, to eliminate as fast as possible the old categories, including the market, money, and, therefore, material interest – or, better, to eliminate the conditions for their existence".<sup>8</sup>

Che believed that the task of a socialist country was not to *use*, or even hold in check the law of value, but to define very precisely the law's sphere of operation and then make inroads into those spheres to undermine it; to work towards its abolition, not limitation.

"We deny the possibility of consciously using the law of value, basing our argument on the absence of a free market that automatically expresses the contradiction between producers and consumers... The law of value and planning are two terms linked by a contradiction and its resolution. We can therefore state that centralized planning is characteristic of the socialist society, its definition".<sup>9</sup>

He conceded only “the possibility of using elements of this law for comparative purposes (cost, “profit” expressed in monetary terms)”.<sup>10</sup>

## **[t2]Socialism as a phenomenon of productivity and consciousness**

Marx had characterised the psychological or philosophical manifestation of capitalist social-relations as alienation and antagonism; the result of the commodification of labour and the operation of the law of value. Capitalist competition creates the drive to increase productivity through technological innovations and increasing exploitation. Alienation and antagonism increase with productivity.

For Che, the challenge was to replace individual alienation from the productive process and the antagonism generated by class relations, with integration and solidarity, developing a collective attitude to production and the concept of work as a social duty.

“We are doing everything possible to give work this new category of social duty and to join it to the development of technology, on the one hand, which will provide the conditions for greater freedom, and to voluntary work on the other, based on the Marxist concept that man truly achieves his full human condition when he produces without being compelled by the physical necessity of selling himself as a commodity”.<sup>11</sup>

Che recognised that the underdevelopment of the productive forces, and consequent material scarcity, and the fact that the consciousness of the Cuban people had been conditioned by capitalism meant that there was an objective need to offer material incentives.<sup>12</sup> But he opposed their use as the primary instrument of motivation, because they would become an economic category in their own right and impose individualist, competitive logic on the social relations of production: “Pursuing the chimera of achieving socialism with the aid of the blunted weapons left to us by capitalism (the commodity as the economic cell, profitability, and individual material interest as levers, etc.) it is possible to come to a blind alley...Meanwhile, the adapted economic base has undermined the development of consciousness”.<sup>13</sup>

In Che’s analysis, through its reliance on material incentives, competition and private accumulation, the *kolkhoz* system threatened to reassert capitalist social relations and undermine the development of socialist consciousness. It subverted of the concept of work as a social duty and the notion of the state as one collective enterprise which he promoted. Socialism must develop an economic management system which found a harmony between two goals; production and consciousness must be fostered in parallel: “To build communism, a new man must be created simultaneously with the material base”.<sup>14</sup>

To move away from capitalist laws of motion, socialist society has to distribute the social product in a way which is not based on equal exchange in terms of labour time. How, then, should workers be compensated for their labour? How should productivity be increased? How is the dichotomy between mental and physical labour overcome? How is investment allocated between capital goods and consumption? For Che these questions had to be resolved by the conscious action of the workers whose objective was to construct socialist society.

## **[t2]Che’s critique of the USSR *Manual of Political Economy***

Between 1965 and 1966, Che took notes on the Soviet *Manual of Political Economy*, applying his theoretical arguments expounded in Cuba during the Great Debate to those notes.<sup>15</sup> This included his criticism of the use of capitalist mechanisms as economic levers to development: material incentives, profit, credit, interest, bank loans, commodity exchange, competition, money as payment and financial control (expressions of the law of value). "All the residues of capitalism are used to the maximum in order to eliminate capitalism", Che complained: "Dialectics is a science not some joke. No-one scientifically explains this contradiction."<sup>16</sup>

Che recognised the value of Soviet assistance and had great respect for the achievements of USSR. His criticisms were intended to be constructive. He believed that by carrying out a thorough critique of the Soviet system of economic management, known in Cuba as the Auto-Financing System (AFS), he would be able to highlight incontrovertibly the dangers inherent in an "hybrid" system; socialism with capitalist elements. The Soviets had neither liquidated capitalist categories nor replaced them with new categories of a higher character, he stated.

"Individual material interest was the arm of capital par excellence and today it is elevated as a lever of development, but it is limited by the existence of a society where exploitation is not permitted. In these conditions, man neither develops his fabulous productive capacities, nor does he develop himself as the conscious builder of a new society".<sup>17</sup>

Che hoped to convince the other socialist countries to reverse the prevailing trend towards "market socialism".

In 1921, circumstances forced Lenin to introduce the New Economic Policy (NEP), which imposed a capitalist superstructure on the USSR. The NEP was not installed against petty commodity production, Che stated, but at the demand of it. Petty commodity production holds the seeds of capitalist development. He was certain that Lenin would have reversed the NEP had he lived longer. However, Lenin's followers "did not see the danger and it remained as the great Trojan horse of socialism, direct material interest as an economic lever".<sup>18</sup> This capitalist superstructure became entrenched; the entire legal-economic scaffolding of contemporary Soviet society originated from the NEP, influencing the relations of production and creating a hybrid system that inevitably provoked conflicts and contradictions which were increasingly resolved in favour of the capitalist superstructure. In short, said Che, capitalism was returning to the Soviet bloc.<sup>19</sup>

## **[t2]The *kolkhoz* collective farms**

The *kolkhoz* was a form of collective farm established in the late 1920s in the Soviet Union. They had free use of nationalised land in perpetuity and buildings, equipment and livestock were collectively exploited. Members of the farm, "kolkhoznics" were paid a share of the farm's product and profit according to the number of workdays they had invested. This was different from the *Sovkhoz*, state farms in which workers were paid a salary. *Kolkhoznics* were entitled to own their house, up to half a hectare of adjacent land, livestock and equipment; the product of which they owned privately. The private plots assuaged traditional peasant resistance to absorption into co-operatives, provided a flexible source of agricultural supply for urban markets and relieved the state from the need to guarantee a minimum wage in the *kolkhoz* sector.<sup>20</sup> The *kolkhoz* were subject to strict planning,

compulsory quotas for sales to the state at prices often below the costs of production, gross income taxes and payment in kind. Productivity was generally higher on the private plots than the collective farm, suggesting that *kolkhoznics* were motivated more by individual than collective interests. For example, in 1938 3.9% of total sown land was in the form of private plots, but in 1937 those plots produced 21.5 percent of gross agriculture output.<sup>21</sup>

Liberalising reforms were introduced in 1958 and deepened in 1965, when Che was writing.<sup>22</sup> These made the *kolkhoz* subject to a compulsory sales plan only (not production plan), prices for produce over the target sold to the state were 50% to 100% higher, the tax burden was further reduced, pre-1965 debts were cancelled and access to direct bank credit granted and non-agricultural activities were encouraged, from infrastructural projects to craft enterprises.

The *kolkhoz* sector had come to be considered “as an autonomous element of national economic activity whose development must be stimulated through a system of material incentives.”<sup>23</sup> In addition, wrote French analyst Marie Lavigne: “A more favourable policy was adopted towards the individual private holding..This amounted to an implicit recognition of the economic value of the private holding in agriculture”.<sup>24</sup> The rate of profit in the *kolkhoz* rose to 20% in 1964, 27% in 1965, 35% in 1966. Agricultural policy in all the other European socialist countries followed a similar pattern as state planning and directives were replaced by contractual procedures and production stimulated through the price mechanism.

Che had two principal points of contention in relation to the *Manual's* formulation about the *kolkhoz*. He insisted that the *kolkhoz* system is: “characteristic of the USSR, not of socialism”,<sup>25</sup> complaining that the *Manual*: “regularly confuses the notion of socialism with what occurs in the USSR.”<sup>26</sup> Further, he argued that cooperatives are not a socialist form of ownership and that they impose a superstructure with capitalist property relations and economic levers.

The *Manual* describes the *kolkhoz* as free from exploitation and antagonistic contradictions. Che refers to denunciations in the Soviet press of a *kolkhoz* which contracted manpower for specific harvests, and questioned: “whether this is considered to be an isolated case or if you can maintain this occasional exploitation of manpower within a socialist regime?”<sup>27</sup> For Che the *kolkhoz* structure itself created antagonism in the relations of production, because: “the *kolkhoz* system allows a form of property that necessarily clashes with the established regime, and even with its own *kolkhoz* organisation, as the peasant works for himself and he will try to deduct from the collective for his own benefit.”<sup>28</sup>

Che cited Lenin’s statement that the peasants generate capitalism.<sup>29</sup> The *Manual* itself quotes Lenin that petty production generates capitalism and the formation of a bourgeoisie, constantly, spontaneously and en masse.<sup>30</sup> Che concluded that the *Manual* is not able to deny that the cooperatives generate capitalism: “Although it has collective tendencies, it is a collective in contradiction to the big collective. If this is not a step towards more advanced forms, a capitalist superstructure will develop and come into contradiction with society.”<sup>31</sup> The “big collective” is the nation and “more advanced forms” refers to social ownership of the means of production, which eliminates commodity-exchange relations between units of production because there is no transferral of ownership, thus the law of value is undermined.

The *Manual* quotes Lenin that: "The regime of cooperative cultivation under social ownership of the means of production, under the triumph of proletariat over the bourgeoisie, is the socialist regime."<sup>32</sup> Che rejects this:

"To begin with a semantic question: what is a cooperative? If it is considered as a grouping of producers, owners of their means of production, it is an advance in contrast to capitalism. But in socialism it is a setback, as it places these groupings in opposition to society's ownership of the other means of production. In the USSR the land is social property but not the other means of production that belong to the *kolkhoz*, not to mention the small kolkhoznic property which supply growing quantities of basic foodstuffs and deepen the gap between the society and the kolkhoznics, if not financially, then ideologically."<sup>33</sup>

According to Che even if private property within the *kolkhoz* were eliminated there would remain a contradiction between each individual collective ownership and the social ownership of all the people.<sup>34</sup> He points to evidence in the *Manual* concerning contradictions which arose between the *kolkhoz* and the Machine and Tractor Stations (MTS), which lent equipment to the cooperatives. As monetary incomes of the kolkhoznics increased they were able to purchase tractors and other agricultural machinery, which created pressure on the MTS to sell technical equipment to the *kolkhoz*. The MTS were consequently reorganised as repair centres for the equipment.<sup>35</sup> Che stated that: "this is a palpable example of the antagonistic contradictions that emerge between social property and that of the individual collective. The MTS could have had many vices of bureaucracy, but the superstructure imposed its solution: greater autonomy and more of its own wealth."<sup>36</sup> The superstructure was the *kolkhoz* system. Validating Che's warning, in 1969 a report in the USSR observed that "certain kolkhozy found their auxiliary activity so rewarding that they neglected their main function."<sup>37</sup>

Che was extremely cognisant of the concrete conditions which made the implementation of the NEP, and consequent economic management systems, necessary. However, his concern was that these measures be openly understood to be concessions to those problems, not paradigms for socialist transition. For Che the *kolkhoz* payment system: "indicates the backward character of the *kolkhoz* system, a compromise solution by a state that constructed socialism alone and surrounded by dangers. The superstructure created gained strength with time."<sup>38</sup> Noting that the *kolkhoz* had differential incomes according to their size and productivity, Che commented: "One has the right to ask oneself, why? Is it essential? The answer is: no."<sup>39</sup> Che suggested that: "perhaps, it would be better to consider the *kolkhoz* as a pre-socialist category, of the first period of transition",<sup>40</sup> insisting that "cooperative ownership is not a socialist form."<sup>41</sup>

For Che, a major challenge of socialist transition was precisely: "how to transform individualised collective property into social property."<sup>42</sup> This was the crux of the problem and it was not being confronted in existing socialism. Without solving this contradiction, class antagonisms would remain, impeding the transition to communism, a classless society.

The *Manual* describes the *kolkhoz* peasants and the working class as two classes in socialist society with amicable relations, but different positions in social



production. Che responded that: "if the *kolkhoz* peasants are considered as a separate class it is because of the type of property they have; property that should not be considered as a characteristic of socialism but rather of Soviet society."<sup>43</sup> The *Manual* concluded that: "the relations of production of the *kolkhoz* cooperative form fully respond to the needs and the level of development of the current forces of production in the countryside. Not only have they not exhausted their possibilities, but they can serve for a long time during the development of the forces of production in agriculture."<sup>44</sup> But Che believed that a confrontation between this collective form and social ownership of the means of production was inevitable, and he warned that: "when they clash (and it could be in the not too distant future) the superstructure will have the strength to demand more "freedom", that is to impose conditions; it is worth saying, to return to capitalist forms."<sup>45</sup>

In addition to his theoretical arguments about contradictions in property relations, Che also contested the Soviet claim that "the *kolkhoz* system has demonstrated its indisputable superiority over capitalist agriculture", being the biggest and most mechanised in the world.<sup>46</sup> He pointed out that: "productivity is extraordinarily higher in North America, due to the investments carried out in agriculture". In 1963, a domestic production crisis forced the USSR to purchase wheat at world market prices from the US. Referring to this fact, Che added that the Soviet statement of superiority seemed like a mockery: "after the enormous purchases of wheat, it is a joke or an attempt to cover up the truth with words."<sup>47</sup>

Although Che wrote little about cooperative production, from his critique of the USSR *Manual* his position is clear; cooperative ownership and the *kolkhoz* system generate a capitalistic superstructure which clashes with state ownership and socialist social relations, increasingly imposing its own logic over society. The *kolkhoz* system was progressive in relation to capitalist forms of ownership, but would also retard the development of socialist forms. The point was not simply a question of who had legal ownership (whether the cooperative land was rented from or had been granted by the state), but also one of who controls the distribution of the surplus and who it benefits.

## **[t2]Collectivising production and workers' participation in Cuba**

Che's views were influenced by the historical form of social-relations and property-ownership which the Cuban Revolution both inherited and generated. In 1953, 43% of the Cuban population was rural, half the proportion in Russia at the time of the Bolshevik Revolution. National industry, agricultural production and international trade were dominated by the sugar sector. Poverty, unemployment and underemployment were inherent aspects of Cuba's sugar economy, forcing an army of unemployed workers to sell its labour cheaply as cane cutters. Significantly, only 3% of rural Cubans owned the land they worked. In other words, Cuba did not have a significant peasant class with traditional attachment to private plots and hostility towards the collectivisation of their product. Most rural Cubans sold their labour power for subsistence wages and are better described as "rural proletariat" or landless labourers.

The Revolution took radical measures which led it towards a socialist path: nationalisations, the introduction of planning and comprehensive social provision (health, education, housing, employment, sports, culture and so on). There was a

rapid transference of property from private to state ownership. Within two years of the seizure of power all financial institutions, 83.6% of industry, including all sugar mills and 42.5% of land were nationalised. Land was redistributed to over 100,000 rural Cubans to work as individual or cooperative farmers. However, as Minister of Industries, Che was agitated by the machinations of the private business interests remaining in Cuba who speculated and manipulated prices and supply, undermining the socialist plan. These historical factors influenced Che's critique and strengthened his conviction of the need for the socialisation of the means of production.

Under socialism the plan has to increasingly replace the law of value in determining production and consumption decisions. Without depending on capitalist levers, particularly individual material incentives, new mechanisms must be found to encourage greater worker effort and create incentives to innovation and the rationalisation of production. The plan sets worker production "norms", based on average labour time, but to increase economic efficiency workers must surpass these.

The challenge is to transform the value added to production by the worker above his own subsistence from "surplus value", as under capitalism, into "surplus product" under socialism and to move from production for exchange, to production for use. Under capitalism, the workers' surplus is the product of exploitation because it does not belong to them. Under socialism, it is a contribution to social production – they work for themselves as part of a collective society. The surplus is distributed according to criteria determined by the plan. For workers to become the owners of the means of production under socialism, they must be managing their own production units, participating collectively in devising the plan, establishing the norms and the daily decisions concerning production and consumption.

Che searched for ways to equip the working class for increasingly decentralised and direct control over production, to tap into workers' creative energy to find solutions to daily production problems and to develop the productive forces - rationalising production, lowering costs, raising productivity and making technological innovations – forging the concept of Cuba as one big factory and work as a social duty. Ultimately these measures sought to give socialism the democratic, participatory character necessary to prepare society for transition to communism.

There were major objective conditions to overcome: underdevelopment and dependency, the exodus of managers and technicians who had run the economy before the Revolution, the low educational and skill level of the masses and the counter-revolutions sabotage, attack and the US blockade. In this context it was necessary to select the workers to lead production units – those with the greatest administrative capacity combined with revolutionary commitment. Nonetheless, in principle Che preferred workers to elect their own representatives, as shown by his preference for the Labour Justice Committees, which were formed by elected workers, over the Trade Unions, where the leadership was proposed by the Party (*Partido Unido de la Revolución Socialista*, PURS) "in reality without a real selection process".<sup>48</sup>

Progress was also hindered by "economistic" tendencies, prevalent before 1959 among organised labour - years of battling to secure crumbs from the capitalist table had eroded class consciousness. Success depended on the Revolution's ability to change workers' attitude to "the bosses" and the production process. The working

class were so accustomed to having the production process imposed upon them that it was difficult to convince them that they owned the means of production and could influence technological and managerial decisions. After being enslaved by work, workers now had to liberate themselves through their labour. This malaise manifested as inertia, a slow acceptance by workers that they had a stake in Cuba's industrial development.

Workers' management meant decentralising control of production, but that process had to be accompanied by a new collective consciousness and social relations, or the result would replicate the antagonism and self-interest of the capitalist economy: "The economy as a whole is considered to be one big enterprise and we attempt to establish collaboration between all participants as members of a big factory, instead of being wolves among ourselves within the construction of socialism."<sup>49</sup> Centralisation was therefore necessary until both the new consciousness and technical skills had been acquired by the working class. Che's slogan was to "centralise without obstructing initiative and decentralise without losing control."<sup>50</sup>

It is important not to confuse a central plan with centralisation of decision making. The plan is constructed with the inputs of decentralised units. The decentralisation of decision-making would increase with the consciousness and management experience of workers.

The policies set up by Che within MININD to collectivise production and workers participation can be summarised under three categories:

- 1) those ensuring ideological and structural cohesion of the BFS;
- 2) those promoting workers' efforts to improve the means of production;
- 3) those integrating workers into management, preventing bureaucratisation and separation between manual and administrative work.

These measures were additional to the organisations of the masses and the trade unions.

### **[t3]1) Policies to ensure Ideological and structural cohesion**

Measures were taken to promote concern for developments in the national economy, facilitate a conversation and collaboration between component parts of industry, raise the level of understanding of the political economy of socialism, link education to production and disseminate information about technological innovations.

Under Che's direction, bimonthly meetings in MININD ran from January 1962 to December 1964 and were attended by up to 400 people including the Management Council and all directors in the central apparatus. The directors could propose the themes for discussion. The meeting transcripts demonstrate that ministry leaders used this opportunity to raise their own queries, ideas or complaints.

MININD also had three publications to facilitate ideological and structural cohesion. *Nuestra Industria* from 1961, *Nuestra Industria Tecnológica* from 1962, and *Nuestra Industria Económica* from 1963. They provided a means for Che and his collaborators to communicate their ideas about socialist transition to workers outside the bimonthly meetings and to raise the level of political understanding.

*Nuestra Industria* forged a collective identity among the huge and diverse production units in the ministry. Every issue gave a detailed description of the technological process in a different factory and productive and administrative problems within the ministry and its enterprises. The magazine was full of recognition and awards given to exemplary workers and technicians for inventing equipment, rationalising production processes or for high productivity and outstanding commitment. A diagram covered the back page with arrows running between the minister, first vice-minister, vice-minister of production, branch director, consolidated enterprise (EC)<sup>51</sup> director, to the factory and a finally a man in dungarees, with the words: "Your work centre is a solid link in the great chain of production of the Ministry of Industries."<sup>52</sup>

*Nuestra Industria Tecnología*, was a journal for technicians and engineers. The contents reflect the rising technological level within the ministry, collaboration with technicians from the socialist bloc and efforts to keep abreast of developments in the capitalist countries. *Nuestra Industria Económica* was the vehicle for the theoretical articles which formed part of the Great Debate. It was orientated towards accountants and economists and carried articles about salaries, investments, financial systems and mathematical methods.

The *Manual Para Administradores de Fábricas* ensured operational cohesion by collating Ministry directives on procedures for cost control, accounting and supervision into two volumes, together with political economy concepts. Published in June 1964, it emphasised the importance of collective production and workers' participation, with practical guidance on how to achieve this. The administrator, it stated: "must be convinced of the incalculable source of inexhaustible ideas, inventiveness, practical knowledge, etc that is latent in each one of the factory workers and establish a more adequate and effective system to make use of these resources."<sup>53</sup> Success in reducing the costs of production: "will mainly depend on the understanding and conviction of all the factory's workers of the need for this approach and the collective benefits that will be derived from it".<sup>54</sup> Respecting the aspirations and criticisms of workers in all forms of communication, it stated, fosters emulation, encourages workers to feel involved in management, helps them to accept changes to the past system, avoids a lack of knowledge being an excuse for incompleteness of tasks, assures uniformity in application and allows projections into the future.<sup>55</sup>

### **[t3]2) Policies to promote workers' efforts to improve the means of production**

Che told MININD directors that: "we need to go to the factories, to converse with everyone there, investigate the problems there are, promote free, open discussions, without any form of coercion...to collect all criticisms with honesty."<sup>56</sup> To facilitate free and open discussions managers and administrators had to be in contact with the workers at the point of production. This was essential in order to avoid bureaucracy, to improve their knowledge of the functioning and problems in the productive units and to stimulate the workers interest in improving the production process. Given the importance of developing the productive forces in socialist Cuba, Che believed that workers who committed to this task displayed

revolutionary leadership qualities, unlike bureaucrats who were far removed from the production process.

#### **[t4]***Committees for Spare Parts and the campaign Construct Your Own Machine*

In the 1950s, 95% of capital goods in Cuba and 100% of spare parts were imported from the US.<sup>57</sup> This led to an acute crisis in the context of the US blockade and the shift of 80% of Cuba's trade from the US to the Soviet Bloc. The fact that in 1960 the Committees for Spare Parts were the first workers' committees established in industry testifies to how rapidly spare parts became an urgent problem.

According to Orlando Borrego, Che's deputy in Cuba from 1959 to 1964: "Among Che's most acknowledged achievements were results in the production of spare parts, an objective which was possible thanks to the creation of the Committees for Spare Parts which, organised from the base up to the ministry and by means of enthusiastic emulation resolved the most serious problems that arose, avoiding the paralysis of industry."<sup>58</sup>

In August 1961 Che declared that the Committees represented MININD's: "first really effective contact with the mass of workers", and that "this first campaign of organised emulation has given really wonderful results." This brought the mobilisation which had been so successful in the political and social sphere into the economic sphere. Che said: "with the emulation of everyone and with the effort of all the workers in all the factories of the country, [the Committees] have resolved innumerable problems...it is the achievement of the unity with the working masses, making the participation of the working masses fundamental to the leadership of the country."<sup>59</sup>

The campaign to Construct your Own Machine carried out in MININD from 1961 took the technical challenge of the Committees for Spare Parts to a higher level. By 1963 almost every issue of *Nuestra Industria* featured equipment invented by workers. In February 1964, Che declared that: "The future of industry, and the future of humanity, is not with the people who fill in papers, it is with the people that construct machines...It is with the people who study the great technological problems, resolve them."<sup>60</sup>

#### **[t4]***Movement of Inventors and Innovators*

When the Department of Industrialisation was set up dozens of inventors and innovators arrived at the offices to submit models and ideas for evaluation.<sup>61</sup> They revealed the limitless imagination of the population and the extent that talents were wasted for want of technical training. In February 1961 when MININD was set up it included a Department of Inventions and Innovations. The department was to lead and coordinate the development of the movement of inventors and innovators and their industrial application in coordination with the ECs and the trade union organisations. The "factory cadre nucleuses" included a worker responsible for registering workers' inventions, determining which had general industrial application and systemising their inclusion in the plan for industry.<sup>62</sup> The *Manual Para Administradores* described this work as: "of vital importance for the technical development of factories, because it constitutes one of the bases which should help the Administrator to achieve an increase in the production and productivity of the

factory.”<sup>63</sup> Inventions in Cuban industry have represented millions saved by substituting imports and producing machinery domestically.<sup>64</sup>

For Che, there was little distinction between technical and political tasks, increasing productivity and efficiency were revolutionary acts. These workers’ experimentation reflected their commitment to improving the productive forces. The social utility of individuals’ inventions was enhanced by the absence of market mechanisms, such as copyright, patents laws and intellectual property rights, which would have increased the social costs of research or practical application. “Inventors” were motivated by moral incentives: vanguard status and social applause.

### **[t3]3) Policies promoting workers’ integration into management**

It was a difficult dialectical process; to decentralise control to workers nurtured under the antagonism and alienation of the capitalist system and expect them to take over management; to subjugate individual self-interests to the well-being of society as a whole, increasing work effort without relying on material incentives. These challenges, in addition to US attacks and a well funded counter-revolution, limited the feasibility of self-management by the Cuban masses. Consequently, Che developed policies to integrate workers into the central apparatus and to ensure that management (mostly composed from workers and revolutionaries, not professional bureaucrats) maintained its organic link with the workers.

### **[t4]Factory Visits**

Such importance did Che give to factory visits that he even dropped in on a factory in the midst of the Cuban Missile Crisis in October 1962.<sup>65</sup> EC directors and Vice Ministers in MININD were obliged to visit a factory, plant or workshop every two weeks as part of the struggle against bureaucratisation and to maintain a lively link with the mass of workers. During the visits they met with the administrator, heads of production and economic heads and the representatives of the mass organisations: the PURS, the Union of Young Communists, trade unions, and other groups. They discussed problems and initiatives with workers and technicians, checked inventories, storage facilities and worker facilities. Following each visit they submitted a detailed report, analysing the situation in the factory and making concrete recommendations.

Factory visits provided an opportunity for thousands of workers to meet and discuss directly with the administrative personnel of MININD, including with the Minister. Harry Villegas, previously Che’s bodyguard, said factory visits and conversations with the workers: “was a link with the masses which gave Che an exhaustive command over the reality of the activity in the sphere which he led.”<sup>66</sup> Che’s talks in the bimonthly meetings are peppered with references to his experiences and encounters during these factory visits.

The procedure was established at the base of production. The *Manual Para Administradores* instructed factory administrators to visit the workshops and sections within their production unit: “with the ends of obtaining from the visits new ideas to improve activities and to listen calmly and with interest to the suggestions and criticisms of the workers.”<sup>67</sup> Visits enabled management to learn about the production process, the principle economic indices, hygiene or safety problems and

discuss the quality of the product; helping desk managers to understand the reality behind reports and statistics.

#### **[t4]***Advisory Technical Committees*

Following the nationalisations and the exodus of professionals, administrators for the new state entities were allocated on the basis of their commitment to the Revolution. As a result: “practically none of the administrators possessed the necessary technical level or experience in production for the factory they were leading.”<sup>68</sup> The priority was to prevent production stoppages. Che searched for institutional forms to secure assistance for these administrators from workers with years of experience of the production processes.

In 1961, Advisory Technical Committees (*Comités Técnico Asesor – CTA*) were set up in every production unit and every EC to serve this function. Outstanding workers were selected by the administrator or director to advise them on practical measures for raising productivity and efficiency and replacing imports. Usually 10% of employees were on the CTAs and in larger workplaces they were organised into sub-committees for specific problems. Borrego explained:

“Their principal function was to discover productive reserves in order to accelerate production...to propose ideas for improving the conditions of work and safety in factories, to facilitate a closer relationship between the workers and the management of production and to generally help resolve the complicated problems that occurred as a result of imperialist enclosure and the blockade imposed on the economy of the country.”<sup>69</sup>

Che believed that if selected from the most dedicated and knowledgeable workers, in addition to improving work conditions and productivity, the CTAs would constitute a revolutionary vanguard, inspiring the masses by their engagement in production and promoting the self-management of the working class. He described the CTAs as “a laboratory experiment where the working class prepares itself for the great future tasks of the integral management of the country.”<sup>70</sup>

#### **[t4]***Production Assemblies*

The idea to set up Production Assemblies came out of Che’s discussions with the Ministry of Labour (*Ministerio de Trabajo, MINTRAB*) headed by Augusto Martínez Sánchez in searching for a vehicle for communication between the administration and the mass of workers.<sup>71</sup> According to Che: “The Production Assembly represents a kind of legislative chamber that examines its own tasks and those of all the employees and workers.”<sup>72</sup> Having been initiated in MININD, by January 1962 Production Assemblies were made compulsory in all nationalised or joint-owned workplaces in Cuba.

All workers, advisors, technicians, engineers and administrators in each workplace met between monthly and quarterly. The Assembly itself chose workers to chair and serve as secretary during the meeting, recording the acts, certifying agreements and resolutions. In late 1961, Che explained his vision:

“Production Assemblies will be part of the life of the factories, and will be an armament of the entire working class to audit the work of their administration, for the discussion and control of the plan, for the establishment of new technical and organisational norms of all types,

for every kind of collective discussion or every nucleus of the factory, or all the workers of the factory...”<sup>73</sup>

Che believed the Assemblies served to educate administrators in the necessity for critical analysis of their own work before a plenary of the mass of workers, helping to improve the efficiency of administration: “Criticism and self-criticism will be fundamental to daily work, and exemplified in the Production Assembly where all the problems related to industry are aired and where the work of the administrator will be subject to questioning and criticism by the workers he leads.”<sup>74</sup>

According to the *Manual Para Administradores* the objectives of the Assemblies were: to motivate workers to participate in the management of production, to contribute to the collective benefit, to apply the principle of democratic centralism, to facilitate workers to express doubts and ideas which the administrators must discuss and clarify, to create a spirit of collective interest in the development of the factory and to inspire interest in individual and collective emulation.<sup>75</sup>

Che warned against the Assemblies becoming bureaucratic. He challenged MININD directors: “The production assemblies have to be lively. It is your responsibility to make them lively.”<sup>76</sup> But they must not become agitational rallies, distracted by “economistic” demands which ignored national interests, instead of discussing what should be produced and how.<sup>77</sup> Che assured them that participation would increase if workers were informed of the results of their complaints and proposals and at which organisational level they were dealt with so that: “the workers start to feel they are participating in the administration”.<sup>78</sup>

#### **[t4]***Committees for Local industry*

The Committees for Local Industry (CILO) were created in 1962 to forge the integration of production and administration of industry at the local level which the BFS institutionalised at the national level. They removed financial mechanisms in the exchange of resources (equipment and so on, not enterprise products) between enterprises so that decisions about their allocation were made politically. Administrators from each workplace within a local area would meet fortnightly to discuss their respective material needs and arrange reallocation of resources. Items were not exchanged as gifts, but with official papers and accounting and inventory adjustments. For example, an EC of Petrol with two surplus desks passed them on to an administrator in the EC of Shoes who was writing on his knees.<sup>79</sup> Che said:

“between socialist enterprises there can be no transfer of commodities because there is no change in property. It is the use of those utensils or means of production in more rational ways by another enterprise, without a real transfer of property, of legal contract, the goods simply go from one place to another...we get together, discuss and resolve this.”<sup>80</sup>

CILOs evolved more complex functions: coordinating industrial plans with other local authorities, suggesting new territorial investments, discussing laws, directives, regulations and norms issued from higher levels and organising attendance on administrator training courses.<sup>81</sup> The *Manual Para Administradores* stated that: “the



growing complexity of industrial development, as well as the need to use our resources more rationally, makes coordination necessary on the basis of territory”.<sup>82</sup>

Each area incorporating 15 to 20 MININD workplaces was organised into a CILO which met fortnightly. Havana alone had 20 CILOs. Presidency was rotated, giving the experience to all the administrators, as was the location of the meeting, familiarising them with other work centres. The meetings made official reports and agreements, which could not contradict their ECs directives. Administrators were obliged to participate and fulfil the agreements.

Che saw the CILOs as “preparing the conditions for future steps” – the construction of socialism and the transition from socialism to communism: “self-management is a measure to prepare the conditions for raising consciousness, creating what is the base of communism: work as a social necessity; not work as an obligation, as a precondition for eating... The CILO should be resolving the local problems”.<sup>83</sup>

In September 1964 Che affirmed: “The CILOs have been an attempt, successful enough we believe, to create the consciousness of [Cuba as] one factory.”<sup>84</sup> The CILOS had the potential to resolve problems and contradictions (misallocation of resources or lack of coordination in investment plans) at a local level which should simply not exist in a socialist society (where production is rationally and consciously determined in the collective interest), yet which did for bureaucratic reasons (for example, a lack of communication between production units).

#### **[t4]***Special Plan of Integration*

In September 1964, Che presented industry directors with his most imaginative and innovative plan to confront the tendency to bureaucracy, a separation between intellectual and manual work and the lack of integration between enterprises in different branches of production. Reading out the plan Che said: “For a long time we have raised the need for a real integration between productive and intellectual work, something that has been achieved through voluntary labour of a productive character, that now has been presented in a plan at the national level.”<sup>85</sup>

The Special Plan of Integration, a measure: “to renovate the attitude of functionaries in the face of their work”<sup>86</sup>, comprised of three elements: the Plan of Demotion, the Plan of Integration and the promotion of manual work for office workers. It was piloted from 1 November 1964. The Plan of Demotion was the principal and obligatory measure which applied to the minister, six vice ministers, 8 branch directors and 82 EC, office, and institution directors. They had to spend one month a year working in a job at least one level, and preferably two, subordinate to their own. To facilitate managerial stability, it was established that within a one month period not more than 25% of a given hierarchy could be demoted.<sup>87</sup> Their own work would be covered by a colleague, while they worked alongside their subordinate.

During their temporary demotion directors should: not search for mistakes, but learn and teach; not change work methods and established systems without collective discussion in the factory; assume full responsibility for that role without leaving tasks incomplete; complete all the obligations of the new role without using the hierarchy of their real role.<sup>88</sup> In addition to strengthening the administrative and leadership work of their subordinates, the Plan also meant that those demoted could

observe whether it was possible to apply the regulations directed from superior levels, experience the social-labour conditions of the factory, workers' cafeteria and food, sanitary installations, equipment for physical protection, and so on.

Che stated: "Fundamentally, the ministry is one administrative and technological entity. It is subject to a methodology which is different when observed from one or another level... You can observe where there are mistakes of methodology, failings in the methods of work and even personal weaknesses."<sup>89</sup> The Plan also ensured that leaders connected directly with the mass of workers and understood their problems, learning about the operative difficulties and the technology of the production process, all of which would prove useful when they returned to their official post. In addition, it served to remind them that their management roles were not fixed for life and that directors could return to the production base.<sup>90</sup>

To promote integration of between enterprises in different branches, the Plan of Integration established specialist work brigades of outstanding workers to assist throughout the ministry. Angel Arcos, Director-General of Personnel in MININD, explained: "This plan also included a plan of mutual assistance between offices of enterprises or between administrators of factories, a plan of specialised work brigades, and a plan of brigades for work methods."<sup>91</sup> This was a case of horizontal integration; directors, economic heads and production heads from stronger ECs would assist weaker ECs and administrators would do likewise.

Che said the brigades would be organised around eight fundamental tasks of MININD, for example work security, organisation of transport and mechanisation of accounting. They would be auxiliary for ministry personnel of the same specialisation.<sup>92</sup> The ECs would create brigades in the areas in which they were strong to help struggling enterprises. Participation was voluntary and only workers who had surpassed their own employment goals could participate. A special salary scale would be transferred with them as they travelled through the provinces teaching their methods. Technical teams for maintenance or electrical engineering were also planned.<sup>93</sup> The aspiration was for specialists in many fields to guide the weakest enterprises.<sup>94</sup>

Che emphasised the cooperative spirit of these exchanges which had a political as well as technical function:

"The comrades who carry out any of these advisory tasks should not present any reports, this is to ensure and conserve the spirit of warm and disinterested help between people or individuals, so that weaknesses are analysed only with the objective of overcoming them and not to serve as an antecedent for taking future action, except if they have detected abnormalities that constitute crimes against the Revolution or against the state. That is to say that there is no kind of "squealing", so that straight away the weak people are going to see the compañeros as hungry lions. It is better if this task is carried out as a completely extra-ministerial type of assistance for the purpose of information, except, naturally, if there are serious things detected of a non-administrative nature."<sup>95</sup>

The Plan also encouraged managers and office workers to carry out voluntary manual labour in the factories during their holidays.<sup>96</sup> Not everyone agreed with the

Plan of Integration, Che revealed, including members of the government at which level it had not been approved. But he took advantage of the institutional independence he was granted to experiment with the BFS, applying new measures to test their feasibility and analysing the results before determining whether or not to continue those policies.

In April 1965, Che left Cuba in secret for the Congo. The Ministry of Industries, a huge institution, was split into separate ministries. The Plan of Integration, like so many other policies in MININD, was abandoned.

## **[t2]Concluding Remarks**

Che's critique of the *kolkhoz* cooperative farms in the USSR and his policies to collectivise production and integrate workers into management within MININD formed part of his search for a solution to the problematic of the Revolution: how to develop the productive forces in an underdeveloped, trade-dependent and blockaded island, whilst simultaneously fostering a new consciousness and new social-relations for the transition to socialism. This remains the challenge in Cuba today.

Che's approach was dialectical and our understanding of his views must be equally so. He regarded cooperatives as progressive in relation to the private ownership which is central to capitalist social-relations, but regressive in relation to socialist state ownership in which class antagonisms are resolved in favour of the proletariat as the classless society is being built.

Guevara understood the development of consciousness as a dialectical process - it would increase with the experience of material changes in the standard of living and transformations in the relations of production which would, in turn, reflect back on consciousness; creating greater potential for self-management by workers. However, these workers should not be motivated by material incentives but by collective consciousness and the concept of work as a social duty. This is essential for transforming surplus value (under capitalism) into surplus product (under socialism) and production for exchange into production for use.

This should not, however, be simplistically interpreted to argue that Che would have opposed the contemporary changes to Cuba's employment structure, measures which promote the establishment of workers cooperatives and self-employment in non-strategic sectors. The historical context and the problems faced in Che's era were very different. In the 1960s one-third of the world population lived in socialist countries and national liberation struggles were challenging the imperialist stranglehold on the underdeveloped world. There was great potential for advances to be made within the socialist world.

Nonetheless, Che was a Marxist, not an idealist. While Che emphasised the importance of consciousness and education in securing commitment to the revolutionary process, he understood that these would remain abstract if the standard of living does not alleviate daily concerns for survival. The key point is Che's belief that material improvements should be achieved, as far as possible, not by promoting market exchanges and encouraging private enterprise but by administrative controls (the plan, the budget, supervision and audits, workers democracy), state investment in skills training, education, science and technology

research, exploiting endogenous resources, fostering industry and diversifying agricultural production.

The contemporary debate in Cuba concerns themes confronted by not resolved by Che in the 1960s and returned to during the Rectification period of 1986-1990. Socialism is a dialectical process lead by those who live it. The challenge is to resolve the contradiction between the plan and the market, raising productivity and consciousness simultaneously. It is also in determining the balance of responsibility between the individual and the state; how such class antagonisms as remain under socialism are mediated; ensuring discipline with resources and at work; how the wealth of socialist society should be distributed; and how much control and centralization is appropriate. These questions are being addressed in Cuba in the face of a brutal blockade, sabotage and terrorist attacks.

Policy is formulated within existing limits: the political commitment to socialist welfare provision, the planned economy and the dominance of state property; and economic constraints such as the US blockade, trade dependency, low levels of technological development (outside mixed-enterprises and the biotechnology industry), and difficulty in obtaining credit. Guevara provided a methodology for socialist construction within these limits.

The current aim is to restore macroeconomic equilibrium through fiscal adjustments and raising productivity, but the challenge remains to do this while limiting the dependence on capitalist mechanisms. Through debates nationwide and at the PCC Congress in April 2011, the Cuban people are searching for solutions to these challenges. It is necessary to consider the contribution of Che in the past as Cuba moves on to secure and strengthen socialist development in the future.

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<sup>1</sup> Centro de Estudios de Che Guevara and Ocean Press, *Ernesto Che Guevara: Apuntes Críticos de la Economía Política*, Havana: Ciencias Sociales, 2006.

<sup>2</sup> Smuggled back into Cuba by Aleida March who went on a clandestine visit to see Che overseas, the notes were passed to Orlando Borrego, Che's closest collaborator during the years he lead industry in Cuba.

<sup>3</sup> From here on referred to as *Manual*.

<sup>4</sup> Known to this author.

<sup>5</sup> Helen Yaffe, *Che Guevara: The Economics of Revolution*, London: Palgrave Macmillan, 2009 has detailed analysis of the administrative mechanisms as well as the promotion of education and training, science and technology, and consciousness and psychology within MININD under Che's directorship.

<sup>6</sup> Guevara, "On the Concept of Value," 1963, in Bertram Silverman, *Man and Socialism in Cuba: The Great Debate*, New York: Atheneum, 1971, p. 234.

<sup>7</sup> *Manual*, cited by Guevara, "On the Budgetary Finance System," 1964, in Silverman, *Man and Socialism*, p. 142.

<sup>8</sup> Guevara, *Budgetary Finance System*, p. 142.

<sup>9</sup> Guevara, *Budgetary Finance System*, p. 143.

<sup>10</sup> Guevara, "The Meaning of Socialist Planning," 1964, in Silverman, *Man and Socialism*, p. 109.

<sup>11</sup> Guevara, "Man and Socialism in Cuba," in Silverman, *Man and Socialism*, p. 346.

<sup>12</sup> The payment of a monetary salary itself is a material incentive because the individual works on the condition of receiving payment. The reference here, however, is to the use of additional monetary payment for production over the norm. See Yaffe (2009), chapter 3 for a summary of the theoretical discussion during the Great Debate about incentives and chapter 8

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for the history of the different moral and material incentives developed by Che within MININD.

<sup>13</sup> Guevara, *Man and Socialism*, p. 342.

<sup>14</sup> Guevara, *Man and Socialism*, p. 343.

<sup>15</sup> The Great Debate between 1963 and 1965 concerned which system of economic management was appropriate for Cuba. It took the form of journal articles written by a group of authors in favour of the USSR's Auto-Financing System and another group who supported the Budgetary Finance System created by Che in MININD. See Bertram Silverman, ed., *Man and Socialism in Cuba: The Great Debate*, New York: Atheneum, 1971 for the main articles and Yaffe (2009) for an analysis of the Great Debate.

<sup>16</sup> Guevara, *Apuntes*, p. 188.

<sup>17</sup> Guevara, *Apuntes*, p. 10.

<sup>18</sup> Guevara, *Apuntes*, p. 112.

<sup>19</sup> Guevara, *Apuntes*, p. 27.

<sup>20</sup> Marie Lavigne, *The Socialist Economies of the Soviet Union and Europe*, London: Martin Robertson & Co., 1975, pp. 113-4.

<sup>21</sup> Roy D. Laird, *Collective Farming in Russia: A Political Study of the Soviet Kolkhozy*, Kansas: University of Kansas Publications, 1958, p. 121, footnote 16.

<sup>22</sup> In 1965 there were 36,300 kolkhoz farms averaging 6,100 hectares compared to 11,700 Sovkhoz farms averaging 24,600 hectares.

<sup>23</sup> Lavigne, *Socialist Economies*, pp. 119-120.

<sup>24</sup> Lavigne, *Socialist Economies*, p. 120.

<sup>25</sup> Guevara, *Apuntes*, p. 166.

<sup>26</sup> Guevara, *Apuntes*, p. 140.

<sup>27</sup> An important question in contemporary Cuba where since autumn 2010 self-employed people have been permitted to employ other workers who are neither family members or co-habitants.

<sup>28</sup> Guevara, *Apuntes*, p. 55.

<sup>29</sup> Guevara, *Apuntes*, p. 55.

<sup>30</sup> Manual, *Apuntes*, p. 57.

<sup>31</sup> Guevara, *Apuntes*, p. 104.

<sup>32</sup> Lenin, cited by Manual, *Apuntes*, p. 107.

<sup>33</sup> Guevara, *Apuntes*, p. 108.

<sup>34</sup> Guevara, *Apuntes*, p. 168.

<sup>35</sup> Manual, *Apuntes*, pp. 168-9.

<sup>36</sup> Guevara, *Apuntes*, p. 169.

<sup>37</sup> Lavigne, *Socialist Economies*, p. 121.

<sup>38</sup> Guevara, *Apuntes*, p. 170.

<sup>39</sup> Guevara, *Apuntes*, p. 171.

<sup>40</sup> Guevara, *Apuntes*, p. 116.

<sup>41</sup> Guevara, *Apuntes*, p. 119.

<sup>42</sup> Guevara, *Apuntes*, p. 180.

<sup>43</sup> Guevara, *Apuntes*, p. 182.

<sup>44</sup> Manual, *Apuntes*, p. 187.

<sup>45</sup> Guevara, *Apuntes*, p. 187.

<sup>46</sup> Manual, *Apuntes*, p. 110.

<sup>47</sup> Guevara, *Apuntes*, p. 111.

<sup>48</sup> Guevara, "Reuniones Bimestrales," December 1964, in *El Che en la Revolución Cubana: Ministerio de Industrias*, Vol. 6, Havana: Ministerio de Azúcar, 1966, p. 579.

<sup>49</sup> Guevara, "Reuniones Bimestrales," December 1963, p. 413.

<sup>50</sup> Juan Valdés Gravalosa, *interview*, February 22, 2006.

<sup>51</sup> Consolidated Enterprises consisted of a set of production units in the same sector grouped under one central management. It was one of the measures Che took to cope with the lack of administrators.

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- <sup>52</sup> *Nuestra Industria*, Havana: Ministerio de Industrias, Year 3: No 1 (January 1963).
- <sup>53</sup> *Manual Para Administradores de Fábricas*, June 10, 1964, La Habana: Ministerio de Industrias, 2nd ed. (reprint), 1988, Section 5, subject 10, p. 1.
- <sup>54</sup> *Manual Para Administradores*, Section 5, subject 10, p. 1.
- <sup>55</sup> *Manual Para Administradores*, Section 10, subject 1, pp. 1-3.
- <sup>56</sup> Guevara, *Reuniones Bimestrales*, March 1962, p. 176.
- <sup>57</sup> Arturo Guzmán Pascual, "La Acción del Comandante Ernesto Che en la Campo Industrial," *Revista Bimestre Cubana* 8 (1998): 29.
- <sup>58</sup> Orlando Borrego Díaz, *Che: El Camino del Fuego*, Havana: Imagen Contemporánea, 2001, p. 164.
- <sup>59</sup> Guevara, "Discurso de la Primera Reunión Nacional de Producción del MININD," in *Ernesto Che Guevara: Escritos y Discursos*, Vol. 5, Havana: Ciencias Sociales, 1977, p. 218.
- <sup>60</sup> Guevara, "Comparecencia televisada en el programa "Información Pública", 25 February 1964 in Ernesto Che Guevara, *Ciencia, Tecnología y Sociedad (1959-1965)*, Havana: Academia, 2003, p. 188.
- <sup>61</sup> Borrego, *Camino*, 12.
- <sup>62</sup> *Manual Para Administradores*, Section 9, subject 3, p. 1.
- <sup>63</sup> *Manual Para Administradores*, Section 9, subject 3, p. 1.
- <sup>64</sup> Borrego, *Camino*, pp. 12-13.
- <sup>65</sup> Ángel Arcos Bergnes, *Evocando al Che*, Havana: Ciencias Sociales, 2007, p. 149.
- <sup>66</sup> Harry Villegas Tamayo, *interview*, March 22, 2006.
- <sup>67</sup> *Manual Para Administradores*, Section 7, subject 2, p. 10.
- <sup>68</sup> Sáenz et al., *Che en el desarrollo*, p.79.
- <sup>69</sup> Borrego, *Camino*, pp. 110-111.
- <sup>70</sup> Guevara, "Discusión Colectiva; Decisión y Responsabilidad Única," in Ernesto Che Guevara, *Obras 1957-1967*, Vol. 2, Havana: Casa de Las Américas, 1970, p. 127.
- <sup>71</sup> Borrego, *Camino*, p. 196.
- <sup>72</sup> Guevara, *Discusión Colectiva*, p. 131.
- <sup>73</sup> Guevara, cited by Borrego, *Camino*, pp. 196-7.
- <sup>74</sup> Guevara, *Discusión Colectiva*, p. 131.
- <sup>75</sup> *Manual Para Administradores*, Section 2, subject 4, p. 1.
- <sup>76</sup> Guevara, *Reuniones Bimestrales*, March 1963, p. 351.
- <sup>77</sup> Borrego, *Camino*, p. 187.
- <sup>78</sup> Guevara, *Reuniones Bimestrales*, February 1964, p. 444.
- <sup>79</sup> Guevara, *Reuniones Bimestrales*, July 1962, p. 301.
- <sup>80</sup> Guevara, *Reuniones Bimestrales*, July 1962, p. 301.
- <sup>81</sup> *Manual Para Administradores*, Section 16, subject 1, p. 1.
- <sup>82</sup> *Manual Para Administradores*, Section 16, subject 1, p. 1.
- <sup>83</sup> Guevara, *Reuniones Bimestrales*, July 1962, p. 300.
- <sup>84</sup> Guevara, *Reuniones Bimestrales*, September 1964, p. 515.
- <sup>85</sup> Plan of Integration; read by Che, *Reuniones Bimestrales*, September 1964, p. 514.
- <sup>86</sup> Guevara, *Reuniones Bimestrales*, September 1964, p. 514.
- <sup>87</sup> Guevara, *Reuniones Bimestrales*, September 1964, p. 515.
- <sup>88</sup> Arcos, "Método y estilo de trabajo de Che," in *Aniversario*, p. 27-8.
- <sup>89</sup> Guevara, *Reuniones Bimestrales*, September 1964, p. 519.
- <sup>90</sup> Arcos, *Trabajo de Che*, pp. 27-8.
- <sup>91</sup> Arcos, *Trabajo de Che*, p. 28.
- <sup>92</sup> Guevara, *Reuniones Bimestrales*, September 1964, pp. 515-6.
- <sup>93</sup> Guevara, *Reuniones Bimestrales*, September 1964, pp. 516-8.
- <sup>94</sup> Guevara, *Reuniones Bimestrales*, September 1964, pp. 535 & 542.
- <sup>95</sup> Guevara, *Reuniones Bimestrales*, September 1964, pp. 517.
- <sup>96</sup> Guevara, *Reuniones Bimestrales*, September 1964, pp. 515.